

**AGENDA ITEM 4b
PUBLIC AGENCY SIGNIFICANT FINDINGS
AS OF DECEMBER 31, 2010**

Significant Public Agency Review Findings for Second Quarter of 2010-11

Compensation Findings:

- **Information Requested Not Provided**

City of Bell did not provide information deemed necessary to determine the correctness of retirement and health benefits.

Current Status:

IN PROGRESS. Employer Services Division sent first letter to the Employer. Employer compliance is in progress.

- **Employment Contracts Not Authorized by the City's Governing Board in an Open Public Meeting**

City of Bell did not provide documentation to show that employment contracts, which contained salary and benefit provisions, had been reviewed and authorized by the City Council in a public meeting or were otherwise made publicly available. Monthly payrates ranged up to \$58,604.04 for the Chief Administrative Officer (CAO), \$28,582.44 for the Assistant CAO, and \$38,083.50 for the City Chief of Police.

Current Status:

IN PROGRESS. Employer Services Division sent first letter to the Employer. Employer compliance is in progress.

- **Payrates Over-Reported**

City of Bell over-reported payrates for the City Council Members, CAO, Assistant CAO, and Chief of Police.

- Council Members: The City over-reported the compensation earnable of City Council members by erroneously including additional compensation paid for serving on other municipal boards, commissions, or other local authorities with the full-time compensation received for services rendered as City Council members. In addition, it appears that increases in City Council member compensation exceeded statutory limits on city council member salaries for general law cities.
- CAO: The City granted a series of increases by addenda to a 1996 contract which ranged from 8.33 percent up to 47.33 percent through July 2008.
- Assistant CAO: Payrates for the Assistant CAO could not be verified as properly approved by the City Council.
- Chief of Police: The Chief of Police entered into an employment contract with the City to perform services as the Chief of Police, effective July 27, 2009. This contract compensated the employee \$38,083.50 per month, which the City reported to CalPERS. The contract was signed only by the CAO and the Chief of Police.

Current Status:

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- **Non-Reportable Compensation Reported as Special Compensation**

City of Bell reported to CalPERS employer payments to a deferred compensation plan as special compensation. Annual deferred compensation amounts paid for the City's Chief Administrative Officer and the Assistant Chief Administrative Officer ranged from \$44,000 to \$48,000.

In addition, *City of Bell* erroneously reported additional compensation up to \$832.65 per month as special compensation for extra duties performed.

Current Status:

IN PROGRESS. Employer Services Division sent first letter to the Employer. Employer compliance is in progress.

- **Performance Bonus Not Received by Other Employees in the Same Group or Class**

Rocklin Academy management employee received bonus payments in the amount of \$1,455 during each pay period from February through June 2009 and the bonus was reported to CalPERS. The performance bonus was not available to all similarly situated employees in the same group or class and thus was not reportable to CalPERS.

Current Status:

IN PROGRESS. Employer Services Division sent first letter to the Employer. Employer compliance is in progress.

- **Salary Adjustments Lack Documentation**

Rocklin Academy was unable to provide documentation to verify retroactive salary adjustments for two employees. One employee received a \$5,000 adjustment paid over three months and another \$700 adjustment. The other employee received a \$3,782 adjustment paid over two months and another \$3,031.28 adjustment.

Current Status:

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Membership Findings:

- **Membership Error**

City of Bell erroneously continued the membership of a former Council member for services performed in an unsubstantiated position. The Council member resigned on August 17, 2009 and accepted a position as Assistant to the Food Bank Coordinator (Assistant Coordinator) the same date. The individual was paid \$7,666.61 per month as Assistant Coordinator, which was the same monthly salary he had received for serving as a City Council member. The City provided a 5 percent cost of living increase on September 1, 2009, boosting the monthly salary to \$8,050. The Office of Audit Services was unable to substantiate the existence of the Assistant Coordinator position.

Current Status:

IN PROGRESS. Employer Services Division sent first letter to the Employer. Employer compliance is in progress.

- **Employee of a Non-Member Agency was Incorrectly Enrolled into CalPERS Membership**

City of San Pablo incorrectly enrolled an employee of a separate and non-member public agency into CalPERS membership for retirement and health benefits. The agency, West Contra Costa Transportation Advisory Committee, was a separate legal entity. The City of San Pablo did not agree with the finding.

Current Status:

IN PROGRESS. Employer Services Division and the Health Benefits Branch are working with the Employer to resolve the finding.